

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on January 10, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: Sen. Dale Berry (R)

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB27, 1/7/2001; SB32, 1/7/2001
Executive Action:

HEARING ON SB27

Sponsor: Senator Ric Holden, Senate District 1, Glendive

Proponents: Roger McGlenn, Independent Insurance Agents
Greg Van Horssen, State Farm Insurance Company
Dwight Easton, Farmers Insurance
Jacqueline Lenmark, American Insurance Association

Opponents: Rebecca Moog, Montana Women's Lobby
Claudia Clifford, State Auditors Office
Linda Gryczan, Business & Professional Women
Darrell Holzer, Mt. State AFL-CIO
Sarah Cobler, Associated Students, U of M
Al Smith, Montana Trial Lawyers Association
Wendy Young, Low Income Families
Frank Cody, Himself
Beth Brenneman, ACLU of Montana

Opening Statement by Sponsor:

Tape : 1; Side : A; Approx. Time Counter : 0.6)

SENATOR RICK HOLDEN, SENATE DISTRICT 1, GLENDIVE stated the purpose of the bill is to offer auto premium discounts to married couples or single parents. Insurance carriers know that married couples and single parents are responsible drivers. Typically they have the better driving records than teenagers. Currently young newlyweds under 25 are rated with teenagers. The insurance industry gives out discounts for many different things, but they are not currently allowed to give out discounts for driving habits which are reflective of customers marital status.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 3.2}

Roger McGlenn, Independent Insurance Agents of Montana, stated the Insurance Agents view this issue as an economic issue and the opponent's view it as a social issue, so it is difficult to match up the discussions. In Montana agents can not give a discount according to marital status.

Greg Van Horssen, State Farm Insurance, Agreed with Mr. McGlenn. The price of Insurance is driven by the cost of providing this service. Statistically it costs more to provide insurance to

young single people than it costs to provide insurance to young married people.

Dwight Easton, Farmers Insurance, stated that this bill would allow a discount due to sound reasons. He stated that the discount could be substantial.

Jacqueline Lenmark, American Insurance Association, stated that this bill would increase the competition for lower prices.

Opponents' Testimony:

Rebecca Moog, Montana Women's Lobby, stated that other single groups would have to be charged more in order to make up for the discount to young married people.

Claudia Clifford, State Auditor's Office, Since 1987 it has been illegal to give insurance rates according to marital status. This law will increase the rates for the others.

Linda Gryczan, Montana Business and Professional Women, stated the bill is unfair and arbitrary. **EXHIBIT (bus07a01)**

Darrell Holzer, Montana State AFL-CIO, Opposes the bill because it is discrimination against people who aren't married.

Sarah Cobler, Associated Students, U of M, stated that students who were single would be discriminated against because of this bill.

Al Smith, Montana Trial Lawyers Association, stated this bill goes against the social policy of not discriminating according to marital status.

Wendy Young, WEE1, opposes the bill.

Frank Cody, himself, notes it is not fair to have a rate increase just because of marital status.

Beth Brenneman, ACLU of Montana, opposes the bill.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 1.3}

Chairman Taylor asked if the rates would increase for singles if this rate went into effect. Jacqueline Lenmark stated she didn't know.

Chairman Taylor asked if she knew the costs to singles in states where this law is in effect. **Claudia Clifford** stated there was an estimate of an increase of 30%.

Senator Butcher asked if there was a difference between the costs to a 60 year old widow and a 60 year old married person. **Claudia Clifford** stated the discount has a much less effect the older you get. **Senator Butcher** asked the same question to a representative of the insurance industry. **Roger McGlenn** stated it would have no effect after the age group the bill addresses.

Closing by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 17.7}

Senator Ric Holden Stated that the bill is not the same as it was last year. It opens the competitive market.

HEARING ON SB32

Sponsor: SENATOR DEBBIE SHEA, SD18, BUTTE/SILVERBOW

Proponents: **Jerry Keck, Department of Labor**
 Glenn Gregor, Montana Injured Workers Resources
 Darrell Holzer, Montana AFL-CIO
 Jacqueline Lenmark, American Insurance Association

Opponents: None

Opening Statement by Sponsor:

{Tape : 1; Side : B; Approx. Time Counter : 21.7}

SENATOR DEBBIE SHEA, SD18, BUTTE/SILVERBOW stated this bill will decide who will enforce the safety worker act. The safety recommendations are actually advisories. The safety bureau becomes the watchdog for the insurer. Full compliance may mean fewer accidents, fewer claims, and lower worker's compensations. Handed out an amendment. **EXHIBIT (bus07a02)**

Proponents' Testimony:

{Tape : 1; Side : B; Approx. Time Counter : 25}

Jerry Keck, Department of Labor and Industry, stated that a good safety program reduces worker's comp costs. They have authority to do inspections in public arena, not in the private section. This bill will clarify the role of the Department of Labor. **EXHIBIT (bus07a03)**

Glenn Gregor, President Montana Injured Workers Council, This bill will increase safety and reduce accidents in the workplace.

Jacqueline Lenmark, American Insurance Association, supports the bill and especially the amendment.

Opponents' Testimony: None

Questions from Committee Members and Responses:

{Tape : 2; Side : A; Approx. Time Counter : 4.7}

Senator Sprague noted that this safety bill would not affect workers unsafe habits.

Senator Butcher asked if it had to do with private employers also. Jerry Keck said the underlying safety and culture act applies to public and in a limited way to private employers

Closing by Sponsor:

{Tape : 2; Side : A; Approx. Time Counter : 8.2}

Senator Shea stated that the safety bureau believes that the passage of this legislation will be providing a service to the insurer because the insurance carriers would be notified as to the level of compliance and they in turn could work with their employer to attain compliance.

ADJOURNMENT

Adjournment: 9:25 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus07aad)